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Note on the Logic of World System Analysis

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**HOW MUCH POISON IS ANOTHER MAN'S MEAT?
- Notes on the Logic of World System Analysis**

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HOW MUCH POISON IS ANOTHER MAN'S MEAT? - Notes on the Logic
of World System Analysis

"Conceptions precede and govern measurements. I am all for minute and sophisticated quantitative indicators. I am all for minute and diligent archival work that will trace a concrete historical series of events in terms of all its immediate complexities. But the point of either is to enable us to see better what has happened and what is happening. For that we need glasses with which to discern the dimensions of difference, we need models with which to weigh significance, we need summarizing concepts with which to create the knowledge which we then seek to communicate to each other. And all this because we are men with hybris and original sin and therefore seek the good, the true and the beautiful." 1

Introduction

There is a lot of inspiration to draw from the work of Immanuel Wallerstein. His writing are filled with numerous elegantly phrased flashes of insight that are immensely quotable - like the one above (and there is a lot more to come in what follows).

But this is of course not the only or even the prime reason for the appeal of Wallerstein's world system analysis to myself and many others. World system analysis offers a coherent interpretation of the history of the last five hundred years of mankind, and more: it offers a breakdown of narrowly defined disciplinary borderlines between history and social science, and between subdisciplines of both areas. In addition to this methodological and factual "holism", and perhaps most importantly, world system analysis extends into a political realm and offers you a meaningful and analytically well founded place in a long term transitionary struggle towards world socialism. A kind of socialism that has nothing to do with what the bureaucracies of state capitalist Eastern Europe have erected; on the contrary, it is going to be "a his-

torical system that maximizes equality and equity, one that increases humanity's control over its own life (democracy), and liberates imagination"² - 'Du hast Diamanten und Perlen - mein Liebchen, was willst du mehr?'

The only other 'game plan' in town of a similar comprehensive scope is that offered by official Eastern European thought, and besides its end goal which is not nearly as attractive as the one offered by world system analysis, it has built a version of reality in the process of formulating theory, analysis and strategy, the counterpart of which is hard to find - in the real world.

Contemporary Western marxism of the more orthodox kind (those staying on the whole faithful to Marx' analysis in the Capital) has, on the other hand, tended to cut off the connection between theory/analysis on one side and political action/political strategy on the other, besides the general standard call of 'class struggle as usual'. We have to go back to the so-called classical theories of imperialism (Lenin, Luxemburg, Bukharin, etc.) to find this connection as explicit as it appears in world system analysis.

In this situation, world system analysis (WSA) demands to be taken very seriously, and I cannot agree with the critiques which tend to reject WSA because it appears to share many of the theoretical and conceptual weaknesses that were claimed to pertain to "classical" dependency theory.³ On the other hand, it may prove useful to employ some of Wallerstein's insights in WSA itself. When "a theoretical formulation is only understandable and usable in relation to the alternative formulation it is explicitly or implicitly attacking; and (that) it is entirely irrelevant vis-á-vis formulations about other problems based on other premisses",⁴ then against which alternative is WSA formulated, and what is the strength/weaknesses of this "pair" in relation to other possible "pairs"

of theoretical alternatives? When our concepts and ways of thinking are eminently historical, so that "our concepts reflect the evolving social situations in which we live",⁵ then what are - in historical terms - the scope and limits of the concepts employed in WSA, and to which extent are those concepts tied in with, for example, Wallerstein's experience with Africa? Would the concepts and approach of WSA be very much different if Wallerstein had been an expert on Latin America or Asia previous to his WSA venture? And so on and so forth.

I shall argue here that both WSA and some of its critics tend to be taken off the proper (sic) analytical track by the logic of their own arguments; that some of the major advantages of WSA also lay the basis for some of its major drawbacks; and finally, I shall argue in favour of an approach which attempts to grasp the development dynamics of states within the contemporary world system in a little less reductionist manner than is the case with WSA and some of its critics.

The following is not an attempt to assess the validity of WSA (or that of its critics) as far as analysis of the whole historical birth and development of capitalism is concerned. The focal point is the development or underdevelopment of states in the contemporary capitalist world-economy. WSA has offered some analytical instruments covering this issue. So has some of its critics. My subject matter is the adequacy of these instruments.

The concepts of core, periphery and semi-periphery.

A basic characteristic of the capitalist world economy, according to WSA, is its unequal structure. There are three structural positions in the system - core, periphery and semi-periphery. The initial position of single areas of the world economy was stabilized by 1640.⁶ Specialization within a division of labour is the key to the unequal position of the areas in the world economy. At first, this happened in a coincidental

manner: "By a series of accidents - historical, ecological, geographic - northwest Europe was better situated in the sixteenth century to diversify its agricultural specialization and add to it certain industries (such as textiles, shipbuilding, and metal wares) than were other parts of Europe. Northwest Europe emerged as the core area of this world economy, specializing in agricultural production of higher skill levels, which favored (again for reasons too complex to develop), tenancy and wage labor as the modes of labor control. Eastern Europe and the Western hemisphere became peripheral areas specializing in export of grains, bullion, wood, cotton, sugar - all of which favored the use of slavery and coerced cash-crop labor as the modes of labor control. Mediterranean Europe emerged as the semiperipheral area of this world-economy specializing in high-cost industrial products (for example, silks) and credit and specie transactions, which had as a consequence in the agricultural arena sharecropping as the mode of labor control and little export to other areas."⁷

As it appears, the concepts of core, periphery and semiperiphery refer to a) different types of economic activity, and b) different types of exploitation in the capitalist world economy. This is confirmed by the following: "The core areas were the location of a complex variety of economic activities - mass-market industries such as there were (mainly textiles and shipbuilding), international and local commerce in the hands of an indigenous bourgeoisie, relatively advanced and complex forms of agriculture. The peripheral areas, by contrast, were monocultural, with the cash crops being produced on large estates by coerced labor."⁸

As is known, this system "functions by virtue of having unequal core and peripheral regions",⁹ "capitalist development is understood to have taken place (or to be taking place) largely in advanced countries (what we call core-zones) and to have taken place very little, if at all, in other areas

(what we call periphery-zones), which is why the one are developed and the other backward, or undeveloped, or even undeveloped, in comparison with the first."¹⁰ The basic mechanism of the system is that of 'unequal exchange', surplus transfer from periphery to core, "an appropriation of surplus from the producers of low-wage (but high supervision), low-profit, low-capital intensive goods by the producers of high-wage (but low supervision), high-profit, high-capitalintensive (goods)".¹¹

This unequal exchange is compounded by the strong state machineries in the core and the weak state machineries in the periphery. "Once we get a difference in the strength of the state machineries, we get the operation of 'unequal exchange' which is enforced by strong states on weak ones, by core states on peripheral areas. Thus capitalism involves not only appropriation of the surplus value by an owner from a laborer, but an appropriation of surplus of the whole world-economy by core areas. And this was as true in the stage of agricultural capitalism as it is in the stage of industrial capitalism."¹²

The semiperiphery is, by definition, a middle stratum between the upper stratum of core states and the lower stratum of peripheral states. The semiperiphery is very important for the functioning of the system as a whole, not in an economic sense, but in the political sense of creating stability - a stability without which the system would disintegrate.¹³ "The existence of the third category means precisely that the upper stratum is not faced with the unified opposition of all the others because the middle stratum is both exploited and exploiter. It follows that the specific economic role is not all that important, and has thus changed through the various historical stages of the modern world-system."¹⁴

The concepts of core and periphery are not new. They have come a long way with the development of dependency theory. But

in contrast to at least parts of 'classical' dependency thinking that saw no possibilities for dynamic development in peripheral areas the development of which was 'blocked' as long as the areas were incorporated in the capitalist world system,¹⁵ the WSA by Wallerstein is much more dynamic. More specifically, two types of dynamics are recorded by WSA; a) any single area of the system may change place from periphery to semiperiphery, from semiperiphery to core, and vice versa; . b) the types of commodities involved in core and peripheral economic activities respectively are subject to dynamic change: "Hence, both the list of commodities involved in unequal exchange and the geographical location of core and peripheral economic processes have constantly shifted over time, without however transforming to any significant extent the world-wide structure of unequal exchange based on the axial division of labor. At first, wheat was exchanged against textiles; later Britain was core and the northern states of the United States semiperipheral; still later the United States was a core zone and Russia or Japan or many others semiperipheral; and tomorrow? In this way, technological advance has created a situation of constant geopolitical restructuring of the world-system, but has it directly undermined its viability? I suspect not."¹⁶

Thus we never get a precise, operational definition of what actually constitutes a core area, a peripheral area and a semiperipheral area. What we do have is a rough outline, based on the area's position in the overall system according to its type of involvement in unequal exchange between areas. This is because WSA cannot have it both ways: when the basis for core status is subject to dynamic change, there can be no precise, 'static' definition of what constitutes core status. So, the logic of WSA simply requires that we must put up with a substantial lack of precision as far as the most basic concepts are concerned. This being the case, there is a whole field of discussion that WSA never gets to open up: the pre-

cise relationship between the basic determinants of core, peripheral, and semiperipheral status respectively, and the consequences hereof for WSA. Examples are not hard to think of: according to WSA, a peripheral area is situated in the losing end of the unequal exchange mechanism. Consequently, the peripheral area is deprived of surplus, which means it accumulates poverty while the core area accumulates wealth. Kuwait records, on the threshold of the 1980's, the highest per capita income in the world. According to this measure, Kuwait is hardly subjected to unequal exchange (may we employ this measure as I do here, or is some other measure more pertinent?) On the other hand, the wealth accumulated in Kuwait is not equally distributed, if it can be said to be distributed at all: the ruling monarch and his family are the main beneficiaries, with a few spill-overs for the population in general, in the form of free basic education and health-care. (But has, for example, the extent of absolute poverty anything to do with core or peripheral status? How many people below the poverty line deprives the area of core status? More than the 15 per cent recorded in the United States, most likely. But again, we do not know, and WSA does not debate the issue).

Being at the receiving end of the unequal exchange mechanism (is Kuwait actually placed there, according to WSA?) does not, however, secure core status (or does it?) In any case, 82 per cent (1979) of the state's income in Kuwait (1979) came from exports of oil. The second largest source of income were the foreign-owned oil companies operating in Kuwait. Running a clear third was the export of shrimps. Hardly an economic basis that lives up to the core-status description by WSA, of areas situated in the sophisticated end of the commodity chain.

I do not think that Kuwait is a very special case. In many instances you come across states with a mix of fairly advanced industries on the one hand, and fairly backward industries on

the other. And then there is the issue of product mix. Can a state have core status when involved in a highly sophisticated manufacture of consumer goods, while being very much dependent on importing producer goods?

Another aspect of product mix is the issue of capital intensity. WSA lists high capital-intensity and high-wage manufacturing as core area activities, and low capital-intensity, low-wage manufacturing as peripheral area activities, but in the real world, the picture is most often mixed, particularly in the Third World states which feature a range of both types of activity. And, for that matter, various types of "labour control" also.

While WSA argues differently, I cannot escape the suspicion that the concept of semiperiphery has been created, in part at least, to help mend the lack of conceptual clarity that pertains to the concepts of core and periphery. But this procedure of course carries the additional problem of precisely designating the areas that are semiperipheral - and developing some consistent criteria for the undertaking.

I imagine the answer from WSA to the above considerations would run somewhat like the following: the concepts of core, periphery and semiperiphery are vital for pointing out the unequal structure of the capitalist world-economy. They are employed as analytical instruments on that level of analysis, and were never meant as operational concepts for analysis of specific states. To get from the former to the latter level of analysis, one has to develop the concepts of core, periphery and semiperiphery on a lower level of abstraction (higher level of concreteness), which specifies the content of the concepts, not for the capitalist world economy as such, but for specific historical phases of the world economy's development.

My response would be: by all means, get on with it! The task is all the more urgent, in the face of WSA's constant insistence on the following: "To be sure, since different parts of the world play and have played differing roles in the capitalist world-economy, they have dramatically different internal socio-economic profiles and hence distinctive politics. But to understand the internal class contradictions and political struggles of a particular state, we must first situate it in the world-economy".¹⁷

This means, of course, that contrary to some of WSA's critics, I am not in favour of scrapping the basic concepts of core and periphery. Inequality is a basic feature of the capitalist world-economy and we need concepts with which to perceive this situation (although I cannot follow WSA all the way in this regard, cf. the following section). I believe that the conceptual clarifications offered by a Danish scholar, John Martinussen, may be of help to WSA.¹⁸ In Martinussen's conception, core status has to do with liquidating the specific traits of peripheral capitalism. In the language of WSA, this means a) an increasing employment of wage labour in the production process, and b) a decreasing dependence on the core economies (the capitalist world market) on the other, which also is taken to mean less inequality in relations of exchange. The aspect of dependence is measured along a physical and a social dimension. As regards the physical dimension, an economy is understood to have attained core status, if and when it has developed Sector I- (means of production) as well as Sector II-industries (means of consumption), with a relatively high degree of intra- and inter-sectoral linkages. The social dimension refers to the relations of production especially the issue of actual control. A process towards core-status implies a process of increasing local as opposed to external (foreign) control over the means of production.

As can be seen from this brief sketch, the measure developed by Martinussen refers to the development of the forces as well as of the relations of production. In addition, it gives the possibility of differentiating various levels of development within the group of peripheral states, leaving us with somewhat more precise conceptions than those of WSA's periphery and semiperiphery.¹⁹

But of course the determination of such rather precise concepts should not take the dynamics out of the system. WSA is entirely correct in arguing that the preconditions for core and peripheral status respectively are subject to historical change. For example, not too long ago, steel industry was a) a key element in the sector for manufacture of capital-goods and accordingly b) one of the major "industrializing industries" in the de Bernis sense. This may not be the case any longer. Technological change brings new industries into the strategic role of prime pushers of industrialization, i.e. the contents of the technical coefficients of intra-industry linkages are subject to change.

In order to specify the content of the concepts of core and periphery in a precise manner we should, in other words, be able to point out those industries/sectors which are at the core of the current phase of capitalist development.

During the recent phase of structural crises, the most advanced core economies have pushed new systems of capital-goods linking R&D resources, mechanical and electronics industries.²⁰ The mapping out of these developments have long since begun, but their more systematic linking to more refined concepts of core and periphery still remains. I see no reason, however, why this line of work could not unfold building upon the structural concepts of core and periphery sketched above.

But the box-putting excersize of core, periphery- and semi-periphery-classification always runs the risk of being overly simplistic. It should always be combined with analysis of single states that take into consideration economic, political, ideological and cultural aspects which tend to be forgotten in the process of classification but which still may have an important role to play when it comes to the concrete development perspectives of single states.

However, when WSA records movements of single states in the world economy, it normally moves in the - analytically speaking - opposite direction of the one suggested here, when it comes to the explaining of such movements. The central point for WSA is that when single states "win" (move upwards) in the capitalist world-economy, by the very logic of the system, someone else has to "lose" (move downwards): "The operations of capitalism as a system lead to the constant peripheralization of most areas of the world. It does not follow that these zones are permanently immobile. Actors swap roles. What does not happen is that everyone becomes richer. Only some do, and even then always at someone else's expense".²¹ In what follows, this suggestion is discussed in some detail.

What is the name of the game: zero, positive or negative?

There seems to be no doubt on the part of WSA: the capitalist world-economy is involved in a zero-sum game: "it is never possible for all peripheral zones to move "upward", even if all use the same modalities at the appropriate historical moments. Contrary pressures act against all but a very few of the upward-striving states (and their entrepreneurs). The space for the very few who do succeed is made by the fact that some others are not merely standing still but rather declining - not by intent, of course, but as a result of the of the operation of the world economy."²² To WSA, development in the capitalist world-economy means exploitation and appro-

priation of surplus. When an area moves upwards, it appropriates a larger share of the world-economy's surplus than before. Directly or indirectly the surplus has to come from somewhere: from the area that moves downwards.

The notion that the basic inequality of the system is preserved should not be taken to mean that the whole system does not move, as we have seen earlier. We saw that the preconditions for core and peripheral status respectively, were subject to dynamic change, cf. the statement by Wallerstein "at first, wheat was exchanged against textiles; later textiles against steel; today steel against computers and wheat."²³ What this means, is that the inability for all peripheral states to develop into core states in the capitalist world-economy, does not signify that the peripheral areas are doomed to stay peripheral in the classical sense of being raw material exporters and importers of manufactures. (Referring to the discussion in the previous section, we should note that these development dynamics of peripheral areas are not recorded if the analytical attention is limited to that of deciding the place of a single state in the capitalist world economy).

While WSA insists, then, that the upward movement of one area is always correlated with the downward movement of another area, the whole system is not static. This being the case, in which direction is the whole system moving?

On the one hand, WSA implies that there is an increasing spread of what we may call "classical" capitalist relations of production, involving free wage labour, where labour power is a commodity. This process of development is embedded in a general trend towards commodification: "Historical capitalism involved therefore the widespread commodification of processes - not merely exchange processes, but production processes, and investment processes - that had previously been conducted other than via a 'market'. And in the course of seeking to accumulate more and more capital, capitalists have sought to commo-

dify more and more of these social processes in all spheres of economic life. Since capitalism is a self-regarding process, it follows that no social transaction has been intrinsically exempt from possible inclusion. That is why we may say that the historical development of capitalism has involved the thrust towards the commodification of everything".²⁴ When we add the tendency for "new" industries to develop in the peripheral areas (steel for example), one should suspect the whole system to be moving upwards - albeit slowly - in a manner similar to the one expressed by Peter Evans in his analysis of Brazil "By the early seventies, Brazil's industrial establishment was already of dimensions that precluded considering it as a peripheral agrarian nation ... When steel factories on the periphery rival the output of those in the center, then the old definitions of center and periphery need revision".²⁵ And finally, this whole process has been accompanied by an increased proletarianization of labour, allowing labour to retain a larger share of the surplus than was the case with semi-proletarian labour, because the latter could accept lower wages when parts of the needs were covered by household production.²⁶

It should be added that increased proletarianization has also meant a stimulation of monetary demand, by "reducing the proportion of consumption goods not obtained via the market",²⁷ and has therefore constituted a stimulus to capitalist growth.

However, all these developments have not, according to WSA, meant that the whole system of the capitalist world economy has moved upwards. The opposite is closer to the truth, because firstly, there has been an expansion of the system to incorporate new "pools of lowcost, part-time wage labor";²⁸ secondly there has taken place, not a relative, but an absolute immiseration of the proletariat: "The overwhelming proportion of the world's workforces, who live in rural zones or move between them and urban slums, are worse off than their ances-

tors five hundred years ago. ... I doubt that the life prospects of the majority of the world's population as of age one are greater than previously; I suspect the opposite is true. They unquestionably work harder - more hours per day, per year, per lifetime. And since they do this for less total reward, the rate of exploitation has escalated very sharply."²⁹

Thus, the system as such has not moved upwards. A number of people - perhaps roughly 15 per cent of the world population - are, materially speaking, a whole lot better off than previously. But this has happened at the expense of the vast majority of the world's labour force, which is worse off, and increasingly exploited.

The notion of absolute immiseration - the majority being worse off than five hundred years ago - is surely debatable but in the present context this is not really the point. The point here is that WSA is compelled by its own logic to argue that the whole system cannot move upwards. A 'plus' somewhere must be equated by a 'minus' somewhere else: When circa 15 per cent of the world's population gets a larger share of the surplus, it has to come from somewhere - from the remaining 85 per cent. WSA does not incorporate the possibility that increased exploitation can leave the exploiter as well as the exploited with a larger absolute amount of surplus at the same time, by means of increasing productivity. Should WSA incorporate this possibility, the zero-sum game between core and peripheral areas would also fall to the ground, because that would enable areas to produce a larger surplus without necessarily appropriating it from other areas.

This is of course the crucial objection made by Robert Brenner against WSA: "It is the fundamental difficulty in Wallerstein's argument that he can neither confront nor explain the fact of a systematic development of relative surplus labour based on growth of the productivity of labour as a regular

and dominant feature of capitalism. ... Wallerstein does not, in the last analysis, take into account the development of the forces of production through a process of accumulation by means of innovation ('accumulation of capital on an extended scale'), in part because to do so would undermine his notion of the essential role of the underdevelopment of the periphery in contributing to the development of the core, through surplus transfer to underwrite accumulation there."³⁰

Is this objection wrong? Has WSA clearly incorporated the issue of productivity, and linked it to the unequal relations of the world economy in the following manner? "All this added up to a world-economy in the sense that the various areas came to be dependent upon each other for their specialized roles. The profitability of specific economic activities became a function of the proper functioning of the system as whole: profitability was generally served by increasing the overall productivity of the system."³¹

But linking increased productivity to the functioning of the world economy as a whole, and even accounting for the fact that increases in surplus created by productivity increases are unequally distributed in the world-economy, (the old argument of Prebisch against theorists of comparative advantage), would still not match increased productivity with a zero-sum game. There would still be an extra amount of surplus which is not created by leaving someone (exploited labour or exploited peripheral areas) worse off than before in terms of absolute surplus allocated: the zero-sum game would be broken.

There is an element of truth in the zero-sum perspective which is a healthy corrective against the more blue-eyed optimists: for example, when Gunder Frank recently commented upon the apparent success of the South-East Asian NIC's, he stressed the logic impossibility of using these countries as examples to follow for the rest of the Third World, because 'everybody'

cannot succeed as exporters of labour intensive manufactures - somewhere in the world economy, there has to be importers also.³² A parallel line of reasoning has stressed the existence of rather unique preconditions in the Asian NIC's, making it impossible for these countries to serve as "models" for (e.g.) Latin America.³³

One the other hand, holding on to the line of thinking that sees 'exploitation as usual' in the Third World, with changes being nothing but changes in form (new commodities are produced in the Third World but they are still at the bottom of the sophistication ladder) does take attention away from the qualitative changes taking place in many Third World countries. It is not only 'exploitation as usual'. There is also a process involving stronger indigenous bourgeoisies, and an expansion of what we above called "classical" capitalist relations of production.³⁴

The zero-sum conception is correct in the one meaning that all states cannot pursue the same kind of development simultaneously, if and when this kind of development involves specific international circumstances in terms of, for example, exploitation and surplus transfers. It's the old question of balance: all states cannot, for example, at the same time have balance of payment surpluses.

But from this suggestion, WSA takes the zero-sum reasoning much further, to suggest the impossibility of areas moving upwards in the world-economy, unless duly compensated by corresponding movement downwards of other areas.

In spite of claims to the opposite, this line of reasoning endows WSA with a static view of the world economy which is both theoretically and empirically hard to defend. And it gives to WSA the difficult task of trying, if not to prove then at least render probable that upwards movements have been pre-

cisely compensated by downwards movements, and that these processes are interrelated. Having gone through a comparative analysis of the development experiences during the 19th and 20th century of "export-economies" that turned into core as well as peripheral states respectively, Dieter Senghaas makes the following comment: "Following the basic suggestion by World System Analysis quoted above, Denmark, Holland and New Zealand could only have become core states "by invitation", while other states like Uruguay, Ireland, Rumania etc. were turned into peripheral states in the world-economy.

But nothing testifies to the truth of this suggestion. As was shown in the above, the cases examined that were not colonies outright, governed from the outside, developed the basis for core or peripheral status within the societies proper, subjected as they were to similar world market conditions; these developments reflected the different internal preconditions for dealing with the opportunities and restrictions that the world market brought to bear upon each state.

There was in no way the causal interrelationship suggested by World System Analysis, between the development of some societies to core-states and other to peripheral states. The reasons for developing core-status or for peripheralization should, in other words, be found in the differences of transformation- and innovation-capabilities pertaining to single societies."³⁵

I believe that Wallerstein is entirely correct in asserting that "a theoretical formulation is only understandable and usable in relation to the alternative formulation it is explicitly or implicitly attacking" (quoted above, in the introduction), and I also believe that WSA's insistence on conducting analysis on a world system level, in connection with the hypothesis of the capitalist world-economy being involved in a zero-sum game, is only understandable in relation to WSA's attack on the modernization paradigm.³⁶ But as has been im-

plied in the above, turning the modernization paradigm upside down still leaves analytical ground to be covered. The insistence on a world system level of analysis may well lead to the analytical neglect of elements in the single states that are not directly "connectable" to a world system perspective. In exactly the same manner as the modernization paradigm on its part neglected world system dynamics. Unawareness of this on the part of WSA might turn out to mean that the modernization paradigm - even in its grave - will have gotten the better of WSA. This should not be allowed to happen. Therefore, we must turn to some of the main critics of WSA, and see whether their objections can be meaningfully incorporated into a richer WSA perspective.

A few objections to WSA reconsidered.

The starting point is that WSA's insistence on a world system perspective has led it to neglect those elements of importance for the development dynamics of single states which are not directly related to the world system level of analysis. This procedure is, in turn, related to WSA's conception of the state as a political parenthesis around a piece of the world economy, with the prime task of securing maximum surplus gain for its ruling class. Strong states can do this and they become stronger in the process; vice versa for weak states. Thus, the power of states "can be measured neither by the size and coherence of their bureaucracies and armies nor by their ideological formulations about themselves but by their effective capacities over time to further the concentration of accumulated capital within their frontiers as against those rival states."³⁷

This line of reasoning invokes at least three types of objections. Firstly, the one from Brenner, arguing that posing the question of strength/weakness of the state in terms of its position in the world-economy mislocates the issue; the crucial

point is the type of class struggle conducted by the underlying social forces of the state in question.³⁸ Secondly, the point stressed by Poulantzas, that the state is not reducible to purely economic ties.³⁹ Thirdly, the contention by Senghaas quoted above, according to which dynamics internal to the state in question were primarily responsible for the state's position in the world-economy.

Thus, the analytically powerful departure by WSA - situate a particular state in the world economy in order to understand its internal economic and political dynamics - is followed by a tendency towards a double-sided reductionism: a) focus on economics, and b) focus on the world-economy dynamics brought to bear upon the single state.

And the critics are right in arguing that ending WSA there still leaves some ground to be covered. On the other hand, Wallerstein is right in stating that critiques of this kind "almost by their nature, tend to fall rebound into the sin opposite to the one they are attacking".⁴⁰ Thus, the talisman of WSA - at least in the version described here - does not cover 'everything', but neither does the talisman of class struggle invoked by Brenner.

Class struggles always take place and are formed by given social and physical context, which are themselves the product of previous class conflict, conducted in another context. If the problem is actual, concrete struggles in a state, the context is given for that struggle. If the problem is that of unraveling the whole historical formation of the system, Brenner is right in arguing that the context is not given, but needs itself to be explained: "class formation, or the intensification of exploitation, is generally an outcome of conflict, and this outcome itself needs to be accounted for."⁴¹

But the insistence of WSA in this situation, is no more and no less than the part of the context called the status of the world-economy and the place in the world-economy of the state in question is one very important piece of context which has hitherto been neglected. And this is true, not for particular situations, but for the whole phase of the capitalist world-economy. The relevance of this point has been clearly demonstrated in the analyses of WSA, and the analytical insistence on class conflict only draws a veil over this insight and is, accordingly, a step back and not a step forward. The more so, as the issue of class conflict and underdevelopment in Brenner's version tends to be reduced to the issue of class relations that are not purely capitalist, involving labour power as a commodity, and the production of relative surplus value. But pure capitalism in this sense does not necessarily mean the termination of underdevelopment. It is decisive whether indigenous or foreign bourgeoisies are dominant.⁴² This whole issue and Brenner's own position is further confused by his contention that "International capitalists, local capitalists and neo-feudalists alike have remained, by and large, interested in and supportive of the class structures of underdevelopment".⁴³ A position that boxes into a single category the class forces whose different interests are most important to unravel in order to come to grips with the dynamics of development and underdevelopment.

As to the objections to WSA by Senghaas, I find the assertion correct that WSA at least in part neglects the internal dynamics of single states. The distinction between internal and external when analyzing a single state in the capitalist world-economy is a difficult one, and the subject of long debates in the tradition of dependency theory. It is an analytical distinction and for at least some dependency writers,⁴⁴ its prime function was to stress that the development of single peripheral areas was not reducible to a simple reflex of world market dynamics. But WSA is inclined towards exactly this latter

position and accordingly the distinction of internal/external has a very small role to play in WSA. Conversely, the distinction is very sharply drawn in Senghaas' analysis. It simply has to be, in order to make the point about the determining role of internal factors in the development process.

This latter position tends to overlook that the "internal" of an area of the capitalist world-economy at any one point is the result of previous interactions between this area and the world-economy of which it forms a part. To force the argument, Senghaas even goes one step further and asserts that the "external" conditions brought to bear on states (during the 19th and early 20th century) which turned into core states and peripheral states respectively were close to identical.⁴⁵ This contention lend a mechanistic flavour to the internal/external distinction, and additionally it furnishes the problem of actually showing that "external" conditions were that similar - a venture in turn which cannot be completed without overstating the distinction.

All this adds up to a modified version of WSA, for studying development dynamics of states in the contemporary world-economy. The starting point is still that of situating the state in the world economy - situating it not only economically but also politically and ideologically - employing refined concepts of core and periphery. The analytical interest is to identify the restrictions and opportunities that this place in the world economy brings to bear upon the single state in this particular phase of development. But there is no zero-sum game.

The next step is analysis of class conflict in the vein of Brenner with the additional unraveling of different interests of factions of the bourgeoisie in relation to the development/underdevelopment-issue. The analysis of class forces and conflict will bring us to focus upon the state - an analysis

which again cuts across the internal/external distinction as in many instances , the class forces underlying the state are of external origin. While doing this, due account is taken of the insight by Poulantzas that the state is not reducible to pure economic ties. The third step is to follow the suggestion by Senghaas, that there are elements in the internal context, which should be granted an analytical position for the development issue of least equal (according to Senghaas, as we have seen, even much more) importance as WSA has given the issue of world-economy dynamics. Senghaas has himself recorded circa ten such elements under the heading of "social and institutional preconditions" for the achievement of core status.⁴⁶

Lots of suggestions not followed by substantive analysis. A freewheeling undertaking indeed. But I'm afraid that these suggestions are not really new. The basic thrust of combining a dynamic internal/external perspective with class analysis was suggested by Cardoso and Faletto, allowing for the fact that they were not particularly happy about the concepts of core and periphery.⁴⁷ And a host of analyses have, although emphasis of single elements of analysis have varied substantially, been conducted in the vein of the framework suggested here.⁴⁸

Proceeding along such a path would leave "traditional" WSA with a somewhat smaller playground than previously: that of unraveling world system dynamics (i.e. upturns and downturns (long waves), the interaction of international economics and politics, etc.) without saying too much about the development of single states, precisely because the analysis of world system dynamics exclusively are incapable of doing that in a correct manner.

Correct? Proper analytical perspective? The right framework for analysis? what a hinting of objective reality and eter-

nal truths when truth is nothing but "an interpretation, meaningful for our times, of the social world as it was, as it is, as it will be".⁴⁹

Truth, objectivity and political action: a few comments by the way of conclusion.

When it comes to analysis of development dynamics of single states in the contemporary world-economy, the framework briefly outlined above was suggested to be superior to WSA.

There are no empirical data or empirical tests available to prove this suggestion. Data as such cannot form the basis for choosing between different analytical frameworks. The decisive element in this choice is the issue of appropriateness and adequacy of the framework in relation to the problem at hand.

The result of analysis is not a piece of reality but a theoretical model reflecting those parts of reality assumed to be important for the analysis. In relation to reality as such, the model may be rich or poor, depending on the range of issues it can meaningfully confront in the field it wishes to cover. Comparing the outcome of analysis with other analyses of the same type of problem, conducted with other frameworks, provides an opportunity for deciding whether the framework employed has been appropriate/adequate.

Who sets the rules of comparison? Other theoretical models do, based in turn on more or less adequate frameworks. In that way, we may regress all the way back to those basic assumptions that are necessary barely to make communication possible, (i.e. intersubjectivity).

Along this whole theoretical boulevard, there are struggles going on. Theoretical work is, of course, related to, and in part determined by, the struggles between social forces in

society and the existing relations of power between these social forces. It is the hallmark of marxist analysis to explicitly recognize this relation, to recognize theoretical work as part of the struggle for change or status quo. And, in the final analysis, the issue of appropriateness and adequacy of theory discussed above boils down to whether theory and analysis supplies a proper instrument of orientation and guidance for the social forces struggling for change.⁵⁰

But of course the relation between theory and struggle is much more complex than just indicated. The passage from theory to action (and back) involves several levels (even "action" itself involves several levels of strategy and tactics) and the road is most often not straight; for example, it is often possible to draw more than one (and perhaps even mutually contradictory ones at that) practical conclusion from a particular theoretical analysis.

In other words, there are marxist analyses in which the relation between theory and practice is difficult to detect and there are marxist analyses in which it is crystal clear, and in the latter case, a clear relation to policy and action gives additional power to the analysis undertaken. This is exactly Lukacs' point when in 1924 he valued Lenin's theory of imperialism: "If one compares Lenin's view of imperialism with Rosa Luxemburg's magnificent development of Marx' theory of reproduction, it pales, both in scope and grandeur. This applies if we only value Lenin's theory of imperialism from a purely economical point of view. But Lenin's superiority is expressed through the fact that he - making an unparalleled theoretical contribution - fully succeeds in connecting the economic theory of imperialism with the political issues of our time".⁵¹

The price Lenin paid for forcing this connection between theory and politics was a mis-evaluation of the dynamics of capi-

talism in the core - he believed it to be a stagnant and dying capitalism ripe for socialist revolution. It was not. In particular it was not in the areas where it had reached the highest levels of development.

Wallerstein's analysis of the capitalist world-economy also involves a clear-cut political perspective, although the scope and time-frame has been substantially enlarged: a socialist world in about 100-150 years.⁵² Although the perspective is long-term, Wallerstein's analysis - like Lenin's - connects directly and consistently to a political perspective of struggle and structural change.

And, like Lenin, Wallerstein pays a price for forcing this connection, a double price. Firstly, the misconception of the zero-sum game discussed earlier, the zero-sum logic being a necessary element in Wallerstein's view of a capitalist system getting ever more deeply involved in crisis.⁵³

Secondly, the partly mislocation of the centres of struggle, due to the over-emphasis on the overexploited (in an absolute sense) semiproletarian masses in the periphery, and a lack of emphasis on the two main sources of resistance in the core: over-exploited (in a relative sense) labour, and anti-systemic movements with a non-economistic basis: the peace movement, the "Green" movement, the punk movement, etc.

Which is one reason why we need "reviewing and refining (of) our conceptual baggage".⁵⁴ And all this, of course, only "because we are men with hybris and original sin and therefore seek the good, the true and the beautiful."⁵⁵

NOTES

- 1) Immanuel Wallerstein: The Capitalist World-Economy, Essays. Cambridge 1979 (IW-79), p. 36.
- 2) Immanuel Wallerstein: Historical Capitalism, London 1983 (IW-83), p. 110. In addition to the works already mentioned the present article draws particularly on those writings by Wallerstein with a focus on the theoretical framework of world system analysis and/or concrete analysis of the present phase. Reference is made to Immanuel Wallerstein: The Future of the World-Economy, in Terence K. Hopkins & Immanuel Wallerstein (Eds.): Processes of the World System, London 1980 (IW-80), pp. 167-81. Immanuel Wallerstein: One Man's Meat: The Scottish Great Leap Forward, in Review III, Spring 1980, pp. 631-40 (IW-REVIEW-80). TK Hopkins & I. Wallerstein: Notes on Structural Transformation, mimeo, Binghampton 1980 (TKH/IW-80).
- 3) Colin Leys: Underdevelopment and Dependency. Critical Notes, in Journal of Contemporary Asia, vol. 7, no. 1, 1977. Björn Beckman: Imperialism and Capitalist Transformation: Critique of a Kenyan Debate, in Review of African Political Economy, No. 19, 1980.
- 4) IW-83, p. 9.
- 5) IW-79, p. x.
- 6) IW-79, p. 18.
- 7) Loc.cit.
- 8) IW-79, p. 38.
- 9) IW-79, p. 61.
- 10) TKH/IW-80, p.5.
- 11) IW-79, p. 162.
- 12) IW-79, p. 18.
- 13) IW-79, p. 23.
- 14) Loc.cit.
- 15) For Example Samir Amin, as demonstrated by Henrik Secher Marcussen & Jens Erik Torp: Internationalization of Capital: Prospects for the Third World. A re-examination of dependency theory, London 1982.
- 16) IW-80, p. 172.

- 17) IW-79, p. 53, my emphasis, GS.
- 18) The concepts developed by Martinussen are succinctly presented in Morten Ougaard: Some Remarks Concerning Peripheral Capitalism and the Peripheral State, in Science and Society, No. 4, Winter 1982-83, pp. 385-405. See also the dissertation by John Martinussen: Staten i perifere og post-koloniale samfund I-IV (The State in Peripheral and Post-Colonial Societies I-IV), Århus 1980, with a summary in English.
- 19) Ougaard, ibid.
- 20) Daniel Malkin: New patterns of Capital Goods Production and Trade and Developing Countries' Technological Dependence, in Dieter Ernst (Ed.): The New International Division of Labour, Technology and Underdevelopment. Consequences for the Third World, Frankfurt am Main 1980, pp. 232-55.
- 21) IW-REVIEW-80, p. 639.
- 22) IW-REVIEW-80, p. 636. Cf. IW-79, p. 61, p. 73, p. 106.
- 23) IW-80, p. 172.
- 24) IW-83, p.15n.
- 25) Peter Evans: Dependent Development. The Alliance of Multinational, State and Local Capital in Brazil: Princeton 1979, p. 73n.
- 26) IW-83, p. 25n. CF. IW-80, p. 171: "...the so-called "extended family", which is often in fact not a purely kind group, is a created structure that optimizes the furnishing of partlife-time wage labor at below the minimum wage, by attaching such laborers to income pools fed by surplus value created by other members of the pool (or by themselves at other moments of time) to the benefit of the employer of the wage laborer."
- 27) IW-80, p. 171.
- 28) IW-80, p. 172.
- 29) IW-83, p. 101.
- 30) Robert Brenner: The Origins of Capitalist Development: a Critique of Neo-Smithian Marxism, in New Lef Review, no. 104, 1977, p. 31.
- 31) IW-79, p. 38. My emphasis, GS.

- 32) Andre Gunder Frank: Some Limitations of NIC Export Led Growth from a World Perspective, in IFDA Dossier, Jan/Feb: 1983, no. 33, pp. 82-85.
- 33) Fernando Fajnzylber: Some reflections on South-East Asian export industrialization, in CEPAL Review, no. 15, December 1981, pp. 111-33.
- 34) Georg Sørensen: Transnational Corporations in Peripheral Societies: Contributions Towards Self-Centered Development? Aalborg, 1983; cf. also Secher Marcussen & Torp, op.cit..
- 35) Dieter Senghaas: Von Europa lernen. Entwicklungsgeschichtliche Betrachtungen, Frankfurt am Main 1982, p. 218n. My translation from German, GS. Emphasis in original.
- 36) IW-79, pp. 132-38.
- 37) IW-83, p. '56.
- 38) Brenner op.cit., pp. 63-66.
- 39) Nicos Poulantzas: The Internationalization of Capitalist Relations and the Nation State, in Classes in Contemporary Capitalism, London 1975, p. 79.
- 40) IW-83, p. 8.
- 41) Brenner, op.cit., p. 88.
- 42) Ougaard in Science & Society, op.cit., Martinussen 1980, op.cit..
- 43) Brenner, op.cit., p. 91.
- 44) FH Cardoso: Teoría de la Dependencia o Analisis de Situaciones cencretas de Dependencia? in Revista Latinoamericana de Ciencia Politica, (FLACSO), vol. I, no. 3, 1970.
- 45) Senghaas 1982, op.cit.
- 46) Ibid., p. 136n. Cf. also Thomas E. Weisskopf: Economic Development and the Development of Economics: Some Observations from the Left, in World Development, vol. 11, no. 10. 1983, p. 899.
- 47) FH Cardoso & E. Faletto: Dependency and Development in Latin America, London 1979 (1966/67).
- 48) For example some of those already mentioned: Cardoso & Faletto, op.cit.; Evans, op.cit., Secher Marcussen & Torp, op.cit., Sørensen, op.cit.
- 49) IW-79, p. xii.

- 50) Curt Sørensen: Marxismen og den sociale Orden I-II, (Marxism and the Social Order I-II) Kongerslev 1976.
- 51) Georg Lukacs: Lenin, Oslo 1970, p. 52, my translation, GS.
- 52) IW-80, p. 179.
- 53) IW-80, p. 173: "But proportions inevitably have a limit. Their maximum is 100%. Ergo, these two mechanisms - proletarianization and incorporation - which serve to permit the regular renewal of expansion of the capitalist system also are its own undoing. Their success renders less likely their future utility as renewal mechanisms."
- 54) IW-79, p. 136.
- 55) Cf. note 1.

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